

Message Text

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ACTION EB-07

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-09 IO-13 ISO-00

L-03 FRB-01 OMB-01 ITC-01 SP-02 USIA-15 AGRE-00

AID-05 CIAE-00 COME-00 INR-07 LAB-04 NSAE-00

OIC-02 EPG-02 SIL-01 STR-04 TRSE-00 CEA-01 PA-02

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INFO AMEMBASSY ABIDJAN

AMEMBASSY BRASILIA

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LOME

AMEMBASSY LONDON

AMEMBASSY MEXICO

AMEMBASSY OTTAWA

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMEMBASSY TOKYO

AMEMBASSY YAOUNDE

USMISSION E BRUSSELS

USMISSION GENEVA

USMISSION OECD PARIS

UNCLAS ACCRA 3726

E.O. 11652: NA

TAGS: EPAP, ETRD GH

SUBJECT: GHANAIAAN PRESS REPORTS US NOT TO CHANGE COCOA AGREEMENT POLICY

REF: ACCRA 3150

1. UNDER HEADLINE "AMERICA AND THE COCOA AGREEMENT" ATTRIBUTED

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ONLY "BY A CORRESPONDENT," MAY 17 GOVERNMENT-OWNED "DAILY GRAPHIC"

BAN STORY STATING "A NEWS AGENCY REPORTED STATE DEPARTMENT AND CONGRESSIONAL SOURCES AS SAYING THAT THERE WOULD BE NO CHANGE IN US POLICY TOWARDS THE (COCOA) AGREEMENT."

2. FULL TEXT OF ARTICLE: QUOTE

THE UNITED STATES HAS ONCE AGAIN CRITICIZED THE INTERNATIONAL

COCOA AGREEMENT AND HOPES THAT THE CARTER ADMINISTRATION WOULD CHANGE ITS ATTITUDE TOWARDS THE PACT HAVE BEEN DASHED.

3. QUOTE THE LATEST INITIATIVES TO SOUND OUT THE US POSITION WERE TAKEN BY MR. KWESI HACKMAN, EXECUTIVE DIRECTOR OF ICCO, WHO HAD BEEN PROMPTED BY OPTIMISTIC STATEMENTS MADE BY US CONGRESSMEN IN GHANA WHICH APPEARED IN THE GHANAIA PRESS.

4. QUOTE HE APPROACHED THE US AMBASSADOR TO GHANA, MR. SMITH, WHO PROMISED TO CONTACT HIS AUTHORITIES BUT IN THE MEANTIME A NEWS AGENCY REPORTED STATE DEPARTMENT AND CONGRESSIONAL SOURCES AS SAYING THAT THERE WOULD BE NO CHANGE IN US POLICY TOWARDS THE AGREEMENT.

5. QUOTE THE SOURCES SAID THE US WAS WILLING TO RENEGOTIATE THE CURRENT AGREEMENT BUT UNLESS THIS BROKE DOWN, NOTHING WAS LIKELY TO BE DONE BEFORE ITS EXPIRY DATE OF SEPTEMBER 30, 1979.

6. QUOTE HOPES OF A CHANGE IN US POLICY APPEAR TO BE LINKED WITH THE EXPRESSED WILLINGNESS OF THE CARTER ADMINISTRATION TO TAKE A MORE POSITIVE ATTITUDE TOWARDS INTERNATIONAL COMMODITY AGREEMENTS. THE US WHICH HAS SIGNED THE INTERNATIONAL COFFEE AGREEMENT, IS CURRENTLY TAKING AN ACTIVE PART IN NEGOTIATIONS FOR A NEW SUGAR AGREEMENT IN GENEVA AND HAS EXPRESSED INTEREST IN A NEW INTERNATIONAL WHEAT PACT.

7. QUOTE BUT COCOA APPARENTLY IS NOT ON. THE US CRITICISM OF THE COCOA
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AGREEMENT IS BASED ON THE FACT THAT IT FEELS THE COMBINATION OF EXPORT QUOTAS WITH A BUFFER STOCK SYSTEM WOULD IMPOSE TOO RIGID A CONTROL OVER THE WORLD COCOA MARKET. INSTEAD THE US HAS ADVOCATED A PURE BUFFER STOCK ARRANGEMENT.

8. QUOTE MR. HACKMAN'S VIEW ON THIS WHICH HE POINTED OUT IN A MAJOR SPEECH TO THE FOURTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT IN NAIROBI IS THAT THE MECHANISMS OF THE COCOA AGREEMENT HAVE NOT BEEN FULLY TESTED AND IT WOULD BE IMPROVIDENT TO DISCARD THEM FOR SOMETHING WHICH WOULD BE ENTIRELY NEW AND UNTESTED. FAR BETTER THAT THE US SHOULD JOIN THE AGREEMENT AND SEEK TO GET ITS IDEAS ACROSS FROM WITHIN.

9. QUOTE THERE IS NO DOUBT THAT THE US WOULD LIKE TO SEE THE AGREEMENT
T
BREAK DOWN SO THAT IT COULD PARTICIPATE IN A RENEGOTIATION AND ITS LATEST PRONOUNCEMENTS HAVE COME AT A CRUCIAL PERIOD IN THE SHORT LIFE OF THE ICCO.

10. QUOTE THERE ARE CURRENTLY IN PROGRESS MAJOR NEGOTIATIONS WITHIN THE ORGANIZATION ON AN UPWARD REVISION OF THE PRICE RANGE AND THERE IS LITTLE DOBT THAT THE FAILURE OF THESE TALKS COULD BRING ABOUT THE DEMISE OF THE SECOND ICCA.

11. QUOTE ONE MAJOR PRODUCER, THE IVORY COAST, WHICH ONLY ACCEDED TO THE AGREEMENT AT THE VERY LAST MOMENT, HAS THREATENED TO WITHDRAW FROM THE PACT IF IT FINDS THE LEVEL OF THE NEW RANGE UNSATISFACTORY.

12. QUOTE IT WAS ONLY UNDER STRONG POLITICAL PRESSURE FROM OTHER MEMBERS OF THE COCOA PRODUCERS' ALLIANCE THAT THE IVORY COAST JOINED THE AGREEMENT AND THERE ARE OMINOUS SIGNS THAT ITS THREAT TO WITHDRAW SHOULD BE TAKEN SERIOUSLY.

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13. QUOTE IT IS REALIABLY REPORTED THAT THE IVORY COAST AS SO FAR NOT PAID ITS CONTRIBUTION TO THE ICCO'S ADMINISTRATIE BUDGET FOR THE CURRENT YEAR, NOR HAS IT BEEN PAYING CONTRIBUTIONS TO THE BUFFER STOCK SINCE THE START OF THE SEASON.

14. QUOTE THIS IS IN CONTRAVENTION OF THE ARTICLES OF THE AGREEMENT AND COULD CONVEY THE IMPRESSION THAT THE IVORY COAST IS HEDGING ITS BETS. AT ALL EVENTS THE OTHER 43 MEMBERS OF THE AGREEMENT WILL NOT BE PLEASED AT THE POSSIBLE IMPLICATIONS OF THIS MOVE.

15. QUOTE THESE LATEST DEVELOPMENTS ARE ONCE AGAIN BOUND TO LEAD TO SPECULATION THAT THE IVORY COAST AND THE UNITED STATES ARE BENT ON BRINGING THE AGREEMENT DOWN AND ARE WORKING TOGETHER TO DO SO. NOT LONG AGO IVORY COAST AGRICULTURE MINISTER ABDULLAH SAWADOGO SAID THAT THE UNITED STATES SHOULD BE INVITED TO ATTEND ICCO NEGOTIATIONS ON THE REVISION OF THE PRICE RANGE.

16. QUOTE THE SUGGESTION HAD A LUKEWARM RECEPTION IN THE INTERNATIONAL COCOA COUNCIL AND THE MATTER WAS SHELVED. IT LEFT COUNCIL DELEGATES WONDERING WHY THE PROPOSAL SHOULD HAVE BEEN PUT FORWARD IN THE FIRST PLACE.

17. QUOTE IVORY COAST'S RELUCTANCE TO PAY UP AND US OFFICIALS RECENT REMARKS MIGHT LEAD THEM TO WHAT INCREASINGLY APPEARS TO BE THE OBVIOUS CONCLUSION. UNQUOTE.

18. ABOVE NEWS STORY IS FIRST WE HAVE SEEN ANY REPORT CITING DEPARTMENT OR CONGRESSIONAL SOURCES TO EFFECT THAT CARTER ADMINISTRATION HAS DECIDED NOT TO CHANGE PREVIOUS POLICY ON COCOA

AGREEMENT. EMBASSY WOULD APPRECIATE RECEIVING ANY AVAILABLE
STATEMENT. SMITH

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